

Message Text

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PAGE 01 SEOUL 01750 031041Z
ACTION EA-09

INFO OCT-01 ISO-00 EB-08 /018 W
-----032033Z 131020 /43

R 030812Z MAR 77
FM AMEMBASSY SEOUL
TO USDOC WASHDC
INFO SECSTATE WASHDC 2439
AMEMBASSY SINGAPORE
AMEMBASSY TOKYO
AMEMBASSY MANILA
AMCONSUL HONGKONG

UNCLAS SEOUL 1750

E.O. 11652: N/A
TAGS: NENC, KS
SUBJECT: MAJOR PROJECT - SAMCHONPO THERMAL POWER PLANT
CONSTRUCTION (KECO IDENTIFIES AS "NEW THERMAL POWER
PLANTS NO. 3 AND 4")

REF: 76 SEOUL 9787

1. PROJECT DESCRIPTION: KOREA ELECTRIC COMPANY (KECO) PLANS
TO BUILD TWO (2) SIDE BY SIDE 500 MW THERMAL POWER PLANTS
(WHICH WILL BE THE LARGEST IN KOREA) IN THE VICINITY OF
SAMCHONPO ALONG THE SOUTHERN COAST (SOUTH KYUNGSANG PROVINCE).
CONSTRUCTION IS TO BEGIN IN JANUARY 1978 WITH ONE PLANT
EXPECTED TO BE COMPLETED BY SEPTEMBER 1981 AND THE OTHER BY
SEPTEMBER 1982. THE PLANTS SHALL BE BASED ON MIXED TYPE BOILERS
BURNING BOTH BITUMINOUS COAL AND HEAVY OIL. KECO ESTIMATES
THAT 1,600,000 TONS PER YEAR OF BITUMINOUS COAL WILL BE IMPORTED
FROM ABROAD AND WE UNDERSTAND THAT SUPPLY INQUIRIES WILL BE
MADE IN AUSTRALIA.

2. IMPLEMENTING OFFICE:

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MR. PARK, BYUNG-HO, MANAGER,
FOREIGN SUPPLY DEPARTMENT,
KOREA ELECTRIC COMPANY,
#5, 2-KA, NAMDAEMOON-RO, CHUNG-KU,
SEOUL, KOREA.
CABLE: KELECCO SEOUL
TELEX: KELECCO K2487

3. COST AND FINANCING: TOTAL PROJECT COSTS ARE PRESENTLY ESTIMATED AT DOLLARS 410 MILLION. FOREIGN EXCHANGE COSTS OF DOLLARS 222 MILLION FOR THE IMPORT OF EQUIPMENT AND EMPLOYMENT OF FOREIGN CONSULTANT SERVICES WILL BE FINANCED THROUGH FOREIGN LOANS OR SUPPLIER'S CREDITS.

4. EXPECTED BID DATES: TENTATIVE ESTIMATE DATE FOR KECO ISSUE OF INVITATIONS FOR BIDS (IFB) IS MID 1977 (POSSIBLY MAY OR JUNE) WITH THE REQUEST THAT BIDDERS SUBMIT PROPOSALS TO KECO BY AUGUST 31, 1977 AND THAT THEY MUST STIPULATE THE TERMS OF GOVERNMENT FINANCIAL INSTITUTION OR SUPPLIER CREDITS AVAILABLE TO THEM. KECO ESTIMATES AND HOPES THAT THE FINAL EVALUATION OF THE PROPOSALS SHALL BE MADE BY DECEMBER 1977 AND THAT A CONTRACT MAY BE AWARDED BY MARCH 1978.

5. POTENTIAL U.S. SALES: U.S. INVOLVEMENT COULD INCLUDE CONSULTANT SERVICES AND EQUIPMENT TO BE PURCHASED FOR THE SUBJECT PROJECT INCLUDING SALE OF THE TOTAL SYSTEMS (TURBINE-GENERATOR, BOILER, MAIN TRANSFORMER, CIRCUIT BREAKER, LARGE SIZE PUMPS AND AUTOMATIC CONTROL AND INSTRUMENTATION) AMOUNTING TO APPROXIMATELY DOLLARS 222 MILLION. THE COAL SUPPLY AS WELL MAY BE ATTRACTIVE TO U.S. PRODUCERS.

6. POST COMMENTS: THIS PROJECT SHOULD NOT BE CONFUSED WITH THE PROJECT REPORTED IN SEOUL'S CABLE 9787 OF DECEMBER 10, 1976. IT IS NOT LISTED AMONG THE PROJECTS PROPOSED ON THE 1977 KOREAN ECONOMIC PLANNING BOARD (EPB) PRIORITY LIST FOR U.S. EXIM BANK ATTENTION. HOWEVER, KECO HAS INDICATED THAT THESE UNCLASSIFIED

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PROJECTS MAY BE PICKED UP IN THE NEXT PRIORITY LIST FOR THE U.S. EXIM BANK. IN EARLY JANUARY 1977 THE EMBASSY AIR POUCHED TO MEPD TWO COPIES OF KECO'S LONG-RANGE POWER DEVELOPMENT PROGRAM (10 YEAR PROGRAM BETWEEN 1976 TO 1986), PREPARED IN OCTOBER 1976 BY KECO AS A PLANNING PAPER FOR INTERNAL USE. THESE PROJECTS APPEAR ON PAGE 21 (TABLE SEVEN) AS "NEW THERMAL POWER PLANTS NO. 3 AND 4" WITHOUT REFERENCE TO THEIR LOCATION. STERN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONSTRUCTION, THERMAL POWER PLANTS
Control Number: n/a
Copy: SINGLE
Sent Date: 03-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977SEOUL01750
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770073-1136
Format: TEL
From: SEOUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770396/aaaadhec.tel
Line Count: 105
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
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Original Previous Classification: n/a
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Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 16-Sep-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3218436
Secure: OPEN
Status: NATIVE
Subject: MAJOR PROJECT - SAMCHONPO THERMAL POWER PLANT CONSTRUCTION (KECO IDENTIFIES AS "NEW THERMAL POWER PLANTS NO. 3 AND 4")
TAGS: BENC, ENRG, KS, KECO
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